submarine menace, by building more ships, and by making the best use of the ships that were left, then the sooner we made tracks for peace the better. That accounted in great measure for the Lansdowne move for immediate peace negotiations. Lord Lansdowne quoted Mr. Runciman's gloomy forecasts in the prelude to his memorandum of November, 1916 (which has been referred to in a previous volume).

Mr. Runciman's prognostications were based on figures which he might have amended by strong and timely action.

In the first week of November, 1916, Mr. Runciman gave to the War Committee a particularly depressing account of the shipping outlook. He subsequently discovered, however, that there were depths of dejection several stages beneath those into which he had plunged us at this meeting. So a few days later he still further darkened the colouring of his picture by warning us that the record of the previous meeting had not been as explicit as he would wish on the gravity of the merchant shipping situation.

His experts had told him that he had been too sanguine in saying that there would be a breakdown of shipping by June, 1917. They considered that the breakdown would come before that time. He called attention in particular to the demand for additional raw material to the extent of 2,500,000 tons by the Ministry of Munitions.

This demand, he said, had been

reduced
Mr. Bmd- by half. He also drew attention to the
^*forebodings* difficulties of the Wheat Commission, who
were at present unable to find the 40
vessels they required to bring wheat from Australia.
They had gone into the neutral market, but had
only been able to obtain two ships at reasonable
prices. Another neutral ship had been offered at